

**MT. ADAMS SCHOOL DISTRICT No. 209**  
**Yakima County, Washington**  
**September 1, 1992 Through August 31, 1994**

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**Schedule Of Findings**

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1. The District Should Improve Internal Controls Over Associated Student Body (ASB) Activities

Our review of the Mount Adams School District's accounting for ASB cash receipting and disbursing activities at its high/middle school disclosed the following internal control weaknesses:

- a. Tickets are not issued to paying patrons attending school athletic events and the school ASB bookkeeper does not maintain or evaluate documentation of inventories for resale items.
- b. School personnel do not compare the amount of cash and checks in bank deposits to the amount indicated on the applicable cash receipt forms.
- c. Receipt collections are often held two to three weeks before being deposited.
- d. Middle school ASB receipt forms prepared during March 31 through August 31, 1993, were not available for our review. School personnel indicated that the receipt forms were determined as missing following a break-in at the school, however, the loss of records had not been reported to district administrative personnel.
- e. Documentation for ASB imprest account expenditures indicated that student approvals were obtained following the making of disbursements from the account.

RCW 43.09.200 states in part:

The accounts shall show . . . all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

*Washington Administrative Code* 392-138-045 states in part:

The fiscal and accounting records of associated student body program moneys shall . . . be available for examination by the state auditor, and shall be preserved . . . .

In addition, the *Accounting Manual for Public School Districts in the State of Washington*, Chapter IX, Section ASB, page 9, states in part:

. . . Disbursements from the imprest bank checking account must be by check and restricted to the payment of invoices bearing student approval

. . . . .

In our previous audit we recommended that improvements be made in the district's ASB internal control structure, however, management has not adequately addressed our concerns. As a result of these internal control weaknesses, there is an increased risk that ASB moneys may not have been appropriately deposited or expended.

We recommend that:

- a. School personnel issue tickets for paid admissions and maintain documentation for inventories of resale items. This documentation should be used by the ASB bookkeeper to evaluate the integrity and adequacy of receipts remitted for deposit. Any overages or shortages in daily deposits should be recorded on the district's accounting system.
- b. School personnel, independent of the cash receipting function, should compare the amount of cash/check in bank deposits to the amount indicated on applicable cash receipt forms. Any differences should be documented and explained.
- c. Receipts should be deposited in the bank at least weekly.
- d. Receipt books and other accounting records should be properly safeguarded. Missing records should be reported to district administrative personnel.
- e. Documentation for ASB expenditures should indicate student review and approval prior to making a disbursement.